

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION OF BILZIN SUMBERG DUNN BAENA
PRICE & AXELROD LLP FOR THE FOURTEENTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Fee Application of Bilzin Sumberg Dunn Baena Price & Axelrod LLP for the Fourteenth Interim Period.

BACKGROUND

1. Bilzin Sumberg Dunn Baena Price & Axelrod LLP ("Bilzin Sumberg") was retained as counsel to the Official Committee of Asbestos Property Damage Claimants. In the Application, Bilzin Sumberg seeks approval of fees totaling \$111,531.00 and costs totaling \$8,362.36 for its services from July 1, 2003, through September 30, 2004.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued

January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on Bilzin an initial report based on our review, and received a response from Bilzin, portions of which response are quoted herein.

DISCUSSION

3. In our initial report, we noted a lodging expense of \$721.44 on August 26, 2004, that requires greater explanation. The entry is provided below.

LodgingTravel to Washington DC - VENDOR: JAY M. SAKALO;	721.44
INVOICE#: JMS - 08/26/04	

We asked Bilzin to provide the number of nights stay and the room price for the cited entry. Bilzin responded as follows:

The Fee Auditor requests additional information regarding lodging expenses incurred by Jay M. Sakalo on August 26, 2004 in the amount of \$721.44 The expenses are broken down as follows:
 8/23/04 — 8/25/04 (2 nights) Room & Tax \$652.66
 Breakfast (3 parties) \$ 48.69
 Facsimile charges \$ 20.09

We appreciate the response. For hotel stays we recommend a ceiling of \$250.00 per day (\$350.00 for New York and San Francisco). Thus we recommend a reduction of \$152.66 for this hotel expense.

4. We noted two meal expenses totaling \$626.40 on August 23 and 24, 2004, that require greater explanation. The entries are provided below.

VENDOR: SCOTT L. BAENA; INVOICE#: SLB - 08/23/04;	204.00
DATE: 8/23/2004 - Client - 15537	
MealsTravel to Philadelphia/Washington	

MealsMeal w/ Sakalo, Dies, Spiegths, Hass, Schwartz, Boyer, Jones
08/24/04 - Travel to Philadelphia/Washington - VENDOR: SCOTT L. BAENA;
INVOICE#: SLB - 08/23/04 422.40

We asked Bilzin to separate and document each meal, noting price and designating each as breakfast, lunch or dinner. Bilzin responded as follows:

The Fee Auditor requests additional information on two meal expenses totaling \$626.40 on August 23, and 23, 2004. Not all of these expenses were for meals. Please note that breakdown:

Amtrak travel from Wilmington to Delaware for Jay Sakalo & Scott Baena \$204.00
Dinner with Committee members and counsel (8 people) \$422.40.


We appreciate the response. We recommend a ceiling of \$50.00 per person for dinner and thus recommend a reduction of \$22.40 in expenses for the Committee dinner.

CONCLUSION

5. Thus we recommend approval of fees totaling \$111,531.00 and costs totaling \$8,187.30 (\$8,362.36 minus \$175.06) for Bilzin's services from July 1, 2003, through September 30, 2004.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: 
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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 7th day of March, 2005.



Warren H. Smith

SERVICE LIST

Notice Parties

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